

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

FIRST FINANCIAL HOLDINGS, INC.

Point of Contact:	Blaise B. Bettendorf, CFO	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	110	Docket Number: (For Thrift Holding Companies)	1214
CPP/CDCI Funds Received:	65,000,000	FDIC Certificate Number: (For Depository Institutions)	28994-9 (SAIF)
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 05, 2008	City:	Charleston
Date Repaid ¹ :	N/A	State:	South Carolina

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

During the 2010 reporting year, First Federal S&L has originated mortgage loans totalling \$558 million; commercial loans of \$68 million and other consumer loans of \$146 million. Combined with the 2009 reporting period, total originations have been \$1.57 billion.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Residential 1-4 Family Mortgage Loans, Home Equity Loans, Manufactured Housing Loans and Commercial loans to primarily small businesses.

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☒ **Increase securities purchased (ABS, MBS, etc.).**

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☐ **Make other investments.**

☒ **Increase reserves for non-performing assets.**

During the 2010 reporting period, the allowance for loan losses, via a charge to the provision for loan losses has increased from 2.78% of gross loans to 3.42% of gross loans related in part to the increase in non-performing loans of \$47 million or 36%.

☐ **Reduce borrowings.**

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☒ Increase charge-offs.

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☐ Purchase another financial institution or purchase assets from another financial institution.

☐ Held as non-leveraged increase to total capital.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

None new in current reporting period. Cape Fear Bank was acquired from the FDIC on April 10, 2009.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

First Federal has established a Mortgage Resolution Support Team that helps clients restructure their mortgage payments to fit their budgets. Each homeowner receives personalized attention leading to solutions that include credit repair, affordable loan payments and other community resources. To date we have received 1734 requests for modifications equaling \$202 million in current loan balances and \$216 million in original loan balances. Currently our 1-year post modification success rate is 95.00%. We have also recently added the SC HELP program with 5 approvals to date.